

Payroll Processes

QUICK REFERENCE GUIDE

Retirement Pre-Tax/Post-Tax Installment Purchase Refund

IPS refunds

Installment purchase taken incorrectly or not stopped in timely manner.

Steps for Agency HR Administrator

1. Agency is notified of a return of funds by the retirement system and an ITA transaction is used to return funds to the agency.
2. The **HR Administrator** will promptly complete a positive manual adjustment form to create a check for the employee. The amount of the refund will be the GROSS. For a pre-tax retirement installment purchase the NET amount of the manual adjustment should be the gross value of the refund less the employee's portion of Social Security and Medicare. (**note:** If the installment purchase refund is for a post-tax installment purchase agreement the amount of the refund will be both the gross and net amount. Since taxes were already withheld from the installment amount for a post-tax installment purchase agreement no taxes should be withheld from the refund.) The manual adjustment is to be submitted via business request. The check from the manual adjustment is given to the employee. Please access the most current version of the form from the Personnel Cabinet website.
3. The Payroll Branch Consultant will update the manual adjustment into KHRIS.

Steps for Personnel Cabinet

The **Personnel Cabinet** will update KHRIS for the refund and FICA paid.